

To: Harry Stoller, Illinois Commerce Commission

From: Sieben Energy Associates

Date: March 9, 2005

RE: Comments on Proposed Illinois Sustainable Energy Plan for Illinois

Since 1991, Sieben Energy Associates has provided energy management services to clients in Illinois and across the country. We are an independent energy services company, with deep roots in Illinois, and have helped our clients – representing all sectors of the Illinois economy -- save tens of millions of dollars by improving their energy efficiency, make smarter electricity and natural gas purchasing decisions, and have been a key player in developing and strengthening the Illinois energy services marketplace.

Simply, we are thrilled that Governor Blagojevich has submitted a long-term plan that calls for an expanded use of renewable energy and energy efficiency as a matter of enlightened public energy policy, and that he has asked the Illinois Commerce Commission and Illinois Department of Commerce and Economic Opportunity to take a leadership role in developing and implementing the Plan.

We will focus our comments on the proposed Energy Efficiency Portfolio Standard, though please note that we support the overall objectives of the Renewable Energy Procurement Standard.

We believe the amount proposed is modest and achievable.

Our industry experience and knowledge of technological innovation indicates customers can readily increase the energy efficiency of end-use electric consuming equipment from lighting to motors to air conditioners to building-wide energy management control systems. The pace of technical innovation has been robust throughout the 1990's and continues today and will undoubtedly quicken in the 2006 to 2017 timeframe, making higher levels achievable over the coming decade.

By providing customers with incentives that help buy-down the cost of implementing these technologies and methods, the ICC will speed deployment above the level of current adoption. Further, as overall energy prices appear to be trending higher due to national and global considerations, customers will be seeking to offset these price and rate increases by investing in products that will use energy more efficiently and thereby help lower their consumption and total cost.





Wider use of energy efficient technologies will strengthen the Illinois economy in numerous ways. Families and businesses will reduce their costs and improve their own economic well-being. More jobs will be created to install energy-efficient technologies throughout the built environment, from homes to schools to businesses to institutions.

Illinois is ripe for greater adoption of existing and emerging energy efficient technologies as well as systems that enable more effective load management (widely known as Demand Response). The trend toward “Green” building is gaining wider adoption by the building industry for new construction, and is growing rapidly in Illinois due to Mayor Daley’s leadership as well as grant funding from the Illinois Clean Energy Community Foundation. Further, Illinois can leverage lessons learned throughout the U.S., from California to New York to Vermont, and use their experience to jump-start our initiatives. The Plan should be geared both to reducing energy use in new as well as existing buildings to achieve maximum impact.

Sieben Energy Associates is confident that the best way to implement the standards is to build upon the existing delivery infrastructure for energy efficient products, practices and technologies. There are many delivery mechanisms that are already in place to deliver the services required (i.e. contractors, trade associations, banks and others). The fundamental challenge is not inventing a new wheel, it is getting existing product and practices utilized more widely and adopted faster. Utilizing existing delivery mechanisms will be a cost-effective way to achieve the standards.

We suggest that programs be established that reach all customer groups. Energy service providers could propose how they would achieve results, and should not be told exactly how to design their program. We would prefer that the energy services organizations design and propose innovative market-based solutions for meeting the standard rather than respond to a narrowly defined approach.

Sieben Energy Associates supports the recommendation that \$10,000,000 be conveyed annually to the Department of Commerce and Economic Opportunity to provide services and support that would further strengthen the overall objectives outlined in the Plan. DCEO could provide a valuable role in encouraging new manufacturers of energy efficient and renewable technologies, helping to test and prove emerging technologies before they are widely deployed, and deliver certain efficiency programs that are cost effective but may not have the degree of certainty associated with those contracted with energy service providers.

We notice that the Energy Efficiency Procurement Requirement is slated to begin in 2006, and encourage the ICC to provide financial compensation to the utilities and ARES for participating and enabling them to recover their costs as soon as the Plan is adopted by the ICC.



Finally, Sieben Energy Associates is confident that the majority of electric customers will appreciate the public policy leadership that is being taken by the Governor and all stakeholders in pursuing the enlightened policies outlined in the Sustainable Energy Plan for Illinois. As Illinois has been a leader in the restructuring of the electricity industry, we can demonstrate further leadership as we transition to a competitive electric environment while also increasing the profile and importance of renewable energy and energy efficiency.